BetaShares
Exchange Traded Funds

3 August 2020

Market Announcements Office
ASX Limited

TO BE RELEASED FOR EACH OF THE ASX CODES LISTED BELOW

SUPPLEMENTARY PDS & UPDATE REGARDING TEMPORARY CHANGE TO OOO'S UNDERLYING FUTURES EXPOSURE

This announcement is made by BetaShares Capital Ltd (**BetaShares** or **Responsible Entity**), the issuer of the following exchange traded funds quoted on the AQUA market of ASX (the **Funds**):

ASX Code	Fund
OOO	BetaShares Crude Oil Index ETF - Currency Hedged (Synthetic)
QCB	BetaShares Commodities Basket ETF - Currency Hedged (Synthetic)
QAG	BetaShares Agriculture ETF - Currency Hedged (Synthetic)

Supplementary PDS

BetaShares announces that it has today issued a supplementary product disclosure statement (**SPDS**) in respect of the Funds.

The purpose of the SPDS is to update the PDS dated 29 September 2017 to:

1. incorporate changes to each Fund's Index methodology made by S&P Dow Jones Indices (**S&P**), the Index provider, to give the Index provider the ability to seek to mitigate the potential impact of negative commodity futures contract prices in its indices. Under the changes, the Index provider may elect to implement an unscheduled designated futures contract roll, being a scenario, based on market conditions, where the normal parameters of the roll, as defined in the Index methodology, may be adjusted. This includes, but is not limited to, when the roll occurs, the length of the roll, the proportions of the roll, or the roll-in contract. In such circumstances, the Index provider will typically roll into the next most viable futures contract as published in the Index methodology, but retains the right to roll into a further-dated contract based on market conditions at the time of its decision.

   It is noted that no assurance can be given that the Index provider would take action in a timely manner, or at all, to prevent a Fund's Index experiencing a zero or negative level due to zero or negative commodity futures prices;

2. include information regarding an additional risk management measure for the BetaShares Crude Oil Index ETF – Currency Hedged (Synthetic) that is being introduced by the Responsible Entity to mitigate the risk of the Fund's value reducing to zero if the price of the WTI crude oil futures contract referenced by the S&P GSCI Crude Oil Index Excess Return (the **Index**) - which the Fund aims to track before fees and expenses - should fall to zero, or below zero, in situations of extreme market volatility (such as that experienced in April 2020). In particular, the swap agreement through which the Fund obtains its investment exposure to the Index has been amended so that, if the price of any WTI crude oil futures contract referenced by the Index falls below US$9.50 (the "Price Level") at any time, the swap will automatically be terminated. If this occurs, the Responsible Entity will seek to enter into new swap transactions by the next business day (or as soon as practicable thereafter) that provide exposure to the most viable WTI crude oil futures contract as determined by the Responsible Entity. As a result, it is possible that the Fund may:

   (i) re-establish investment exposure to the WTI crude oil futures contract referenced by the Index if such futures contract is trading at a price above the Price Level and the Responsible Entity considers there to be no material risk of such price imminently falling below the Price Level; or

   (ii) temporarily establish investment exposure to a longer-dated WTI futures contract (e.g. with a maturity of three months), which may differ from the WTI crude oil futures contract referenced by the Index.

There may be a short period between termination of the swap agreement and the re-establishment of investment exposure to WTI crude oil future contracts, during which the Fund would not have exposure to the Index and the Fund's assets would only comprise cash holdings. Therefore, the Fund's Net Asset Value during that period would primarily reflect the value of the Index as at the time the swap agreement was terminated plus interest earned on the Fund's cash holdings. During any temporary period where the Fund either does not have exposure to the Index, or has exposure to a WTI crude oil futures contract that differs from that referenced by the Index, the Fund would be expected to experience higher tracking error relative to the Index than would otherwise be the case and this could adversely affect the Fund's ability to achieve its investment objective.

The Responsible Entity notes that the price of any WTI crude oil futures contract referenced by the Index has historically fallen below US$9.50 on one day only (being in April 2020) during the period from 1990 to date.

The Responsible Entity considers the introduction of this additional risk management measure to be prudent and in the best interests of unitholders, as it provides a reasonable level of protection in light of the serious effect on the Fund and unitholders if the Fund's value were to fall to zero due the impact of a zero or negative price for any WTI crude oil futures contract referenced by the Index;

3. include additional disclosure regarding the risks associated with the Funds in light of the changes to the Index methodology, and the change to the swap agreement for the BetaShares Crude Oil Index ETF – Currency Hedged (Synthetic), described above.

A copy of the SPDS is attached and is also available at www.betashares.com.au.

Update regarding temporary change to OOO's underlying futures exposure

We refer to the announcement made on 23 April 2020 regarding the BetaShares Crude Oil Index ETF – Currency Hedged (Synthetic) and to subsequent announcements, which advised that the Fund had temporarily replaced its investment exposure to the one-month WTI crude oil futures contract with exposure to the three-month forward contract until further notice, to reduce the risk to the Fund should the near-month futures contracts trade at negative prices given the unprecedented global oil market conditions evident recently.

As previously announced, the Fund's exposure to the three-month forward futures contract has been maintained pending the outcome of the public consultation and review relating to negatively priced commodities futures contracts that has been conducted by S&P, the provider of the Index. This consultation sought feedback on the measures S&P should take in the maintenance of the Index to address the risk of negative commodity futures prices. We previously announced that we intended to take into account the outcome of this review when considering any further decisions regarding the Fund.

We advise that the outcome of S&P's review has now been announced and is reflected in the changes to the Index methodology described above and in the SPDS.

With the risk management measure to address the risk of negatively priced WTI crude oil futures contracts that has been incorporated in the Index methodology, and the additional risk management measure introduced under the swap agreement, as described above, BetaShares advises that the Fund's investment exposure will revert to the front-month WTI crude oil futures contract referenced by the Index (currently being the September 2020 futures contract), effective as at the close of trading on the NYMEX futures exchange on 4 August 2020 (U.S. time). Going forward, the Fund's futures contract exposure will be rolled in line with the scheduled monthly roll of the Index.

As the information in this announcement does not take into account the personal circumstances of any particular investor, investors should consider consulting their financial adviser regarding this announcement.

For any inquiries regarding this announcement, please contact BetaShares Client Services on 1300 487 577 or info@betashares.com.au.

The S&P GSCI Crude Oil Index Excess Return (Index) is a product of S&P Dow Jones Indices LLC or its affiliates (SPDJI) and has been licensed for use by BetaShares. S&P® is a registered trademark of Standard & Poor's Financial Services LLC (S&P); and this trademark has been licensed for use by SPDJI and sublicensed for certain purposes by BetaShares. OOO is not sponsored, endorsed, sold or promoted by SPDJI, S&P or their respective affiliates, and none of such parties make any representation regarding the advisability of investing in OOO nor do they have any liability for any errors, omissions or interruptions of the Index.

BETASHARES CRUDE OIL INDEX ETF-CURRENCY HEDGED (SYNTHETIC)

ARSN: 150 081 351 | ASX CODE: OOO

BETASHARES COMMODITIES BASKET ETF-CURRENCY HEDGED (SYNTHETIC)

ARSN: 150 081 495 | ASX CODE: QCB

BETASHARES AGRICULTURE ETF-CURRENCY HEDGED (SYNTHETIC)

ARSN: 150 080 176 | ASX CODE: QAG

SUPPLEMENTARY PRODUCT DISCLOSURE STATEMENT

DATED:	**3 AUGUST 2020**
ISSUER:	**BETASHARES CAPITAL LTD**
ABN:	**78 139 566 868**
AFS LICENCE:	**341181**

This supplementary product disclosure statement ("SPDS") is supplemental to the product disclosure statement dated 29 September 2017 (as updated by the supplementary product disclosure statement dated 27 April 2020) in respect of BetaShares Crude Oil Index ETF-Currency Hedged (Synthetic), BetaShares Commodities Basket ETF-Currency Hedged (Synthetic) and BetaShares Agriculture ETF-Currency Hedged (Synthetic) ("PDS"). The PDS and this SPDS should be read together.

A copy of this SPDS has been lodged with the Australian Securities and Investments Commission (ASIC) on 3 August 2020. Neither ASIC nor ASX Limited takes any responsibility for the contents of this SPDS.

Terms defined in the PDS have the same meanings when used in this SPDS.

The purpose of this SPDS is to update the PDS to:

- incorporate changes to each Fund's Index methodology made by the Index provider to give the Index provider the ability to seek to mitigate the potential impact of negative commodity futures contract prices in its indices. Under the changes, the Index provider may elect to implement an unscheduled designated futures contract roll, being a scenario, based on market conditions, where the normal parameters of the roll, as defined in the Index methodology, may be adjusted. This includes, but is not limited to, when the roll occurs, the length of the roll, the proportions of the roll, or the roll-in contract. In such circumstances, the Index provider will typically roll into the next most viable contract as published in the Index methodology, but retains the right to roll into a further-dated contract based on market conditions at the time of its decision.

  It is noted that no assurance can be given that the Index provider would take action in a timely manner, or at all, to prevent a Fund's Index experiencing a zero or negative level due to zero or negative commodity futures prices;

- include information regarding an additional risk management measure for the BetaShares Crude Oil Index ETF – Currency Hedged (Synthetic) that is being introduced by the Responsible Entity to mitigate the risk of the Fund's value reducing to zero if the price of the WTI crude oil futures contract referenced by the S&P GSCI Crude Oil Index Excess Return should fall to zero, or below zero, in situations of extreme market volatility (such as that experienced in April 2020). In particular, the Swap agreement has been amended so that, if the price of any WTI crude oil futures contract referenced by the Index falls below US$9.50 (the "Price Level") at any time, the Swap will automatically be terminated. If this occurs, the Responsible Entity will seek to enter into new swap transactions by the next business day (or as soon as practicable thereafter) that provide exposure to the most viable WTI crude oil futures contract as determined by the Responsible Entity. As a result, it is possible that the Fund may:

  (i) re-establish investment exposure to the WTI crude oil futures contract referenced by the Index if such futures contract is trading at a price above the Price Level and the Responsible Entity considers there to be no material risk of such price imminently falling below the Price Level; or

(ii) temporarily establish investment exposure to a longer-dated WTI futures contract (e.g. with a maturity of three months), which may differ from the WTI crude oil futures contract referenced by the Index.

There may be a short period between termination of the Swap agreement and the re-establishment of investment exposure to WTI crude oil future contracts, during which the Fund would not have exposure to the Index and the Fund's assets would only comprise cash holdings. Therefore, the Fund's Net Asset Value during that period would primarily reflect the value of the Index as at the time the Swap agreement was terminated plus interest earned on the Fund's cash holdings. During any temporary period where the Fund either does not have exposure to the Index, or has exposure to a WTI crude oil futures contract that differs from that referenced by the Index, the Fund would be expected to experience higher tracking error relative to the Index than would otherwise be the case and this could adversely affect the Fund's ability to achieve its investment objective.

The Responsible Entity notes that the price of any WTI crude oil futures contract referenced by the Index has historically fallen below US$9.50 on one day only (being in April 2020) during the period from 1990 to the date of this SPDS.

The Responsible Entity considers the introduction of this additional risk management measure to be prudent and in the best interests of unitholders, as it provides a reasonable level of protection in light of the serious effect on the Fund and Unitholders if the Fund's value were to fall to zero due the impact of a zero or negative price for any WTI crude oil futures contract referenced by the Index;

- include additional disclosure regarding the risks associated with the Funds in light of the changes to the Index methodology and the change to the Swap agreement for the BetaShares Crude Oil Index ETF – Currency Hedged (Synthetic) described above.

The amendments to the PDS pursuant to this SPDS are as follows:

Section 4.18 INDEX RISK

Insert the following new paragraph at the end of this section:

"In addition, during times of increased market volatility, where there is a risk of the price of a futures contract reducing to zero or less than zero (negative), the Index provider may seek to mitigate the potential impact of negative commodity futures contract prices by electing to implement an unscheduled designated futures contract roll, being a scenario, based on market conditions, where the normal parameters of the roll, as defined in the Index methodology, may be adjusted. This includes, but is not limited to, when the roll occurs, the length of the roll, the proportions of the roll, or the roll-in contract. No assurance can be given that the Index provider would take action in a timely manner, or at all, to prevent a Fund's Index experiencing a zero or negative level due to zero or negative commodity futures prices."

Product Supplement for the BetaShares Crude Oil Index ETF – Currency Hedged (Synthetic)

The following changes are made in the Product Supplement for the BetaShares Crude Oil Index ETF – Currency Hedged (Synthetic):

Delete the last paragraph in the section "Investment Objective" (as inserted by the supplementary product disclosure statement dated 27 April 2020) and replace with the following new paragraph:

"For risk management purposes, if the price of any WTI crude oil futures contract referenced by the Index falls below US$9.50 (the "Price Level") at any time, or if such price is temporarily unavailable and the Swap provider determines, in a commercially reasonable manner, that if such price were available, that it would be below the Price Level, then the Swap will automatically be terminated. If this occurs, the Responsible Entity will seek to enter into new swap transactions by the next business day (or as soon as practicable thereafter) that provide exposure to the most viable WTI crude oil futures contract as determined by the Responsible Entity. As a result, it is possible that the Fund may:

- re-establish investment exposure to the WTI crude oil futures contract referenced by the Index if such futures contract is trading at a price above the Price Level and the Responsible Entity considers there to be no material risk of such price imminently falling below the Price Level; or
- temporarily establish investment exposure to a longer-dated WTI futures contract (e.g. with a maturity of three months), which may differ from the WTI crude oil futures contract referenced by the Index.

There may be a short period between termination of the Swap and the re-establishment of investment exposure to WTI crude oil future contracts, during which the Fund would not have exposure to the Index and the Fund's assets would only comprise cash holdings. Therefore, the Fund's Net Asset Value during that period would primarily reflect the value of the Index as at the time the Swap was terminated plus interest earned on the Fund's cash holdings. During any temporary period where the Fund either does not have exposure to the Index, or has exposure to a WTI crude oil futures contract that differs from that referenced by the Index, the Fund would be expected to experience higher tracking error relative to the Index than would otherwise be the case and this could adversely affect the Fund's ability to achieve its investment objective. This may result in the Fund under-performing the Index to a material extent during such period.

The Responsible Entity considers this risk management measure to be prudent and in the best interests of unitholders, as it provides a reasonable level of protection in light of the serious effect on the Fund and Unitholders if the Fund's value were to fall to zero due the impact of a zero or negative price for the WTI crude oil futures contract referenced by the Index."

After the third paragraph in the section "Further information about the Index", the following new paragraph is inserted:

"During times of increased market volatility, where there is a risk of the price of a futures contract referenced by the Index reducing to zero or less than zero (negative), the Index provider may seek to mitigate the potential impact of negative commodity futures contract prices by electing to implement an unscheduled designated futures contract roll, being a scenario, based on market conditions, where the normal parameters of the roll, as defined in the Index methodology, may be adjusted. This includes, but is not limited to, when the roll occurs, the length of the roll, the proportions of the roll, or the roll-in contract. In such circumstances, the Index provider will typically roll into the next most viable contract as published in the Index methodology, but retains the right to roll into a further-dated contract based on market conditions at the time of its decision. In the case of an unscheduled roll event, the Index provider will endeavour, as market conditions warrant, to implement the roll over two business days (i.e. a two-day roll period), as well as provide two business days' notice in advance of the unscheduled roll implementation."

A new section "Price Level risk" is added after the section "Regulatory risk", as follows:

"Price Level risk

A swap transaction will automatically be terminated early if the price of any WTI crude oil futures contract referenced by the Index falls below the Price Level, or if such price is temporarily unavailable and the Swap provider determines, in a commercially reasonable manner, that if such price were available, that it would be below the Price Level. Although the Responsible Entity will typically seek to enter into replacement swap transactions as soon as practicable thereafter, the Fund's ability to achieve its investment objective could be adversely affected in such circumstances. As a result, during any temporary period where the Fund either does not have exposure to the Index, or has exposure to a WTI crude oil futures contract that differs from that referenced by the Index, the Fund would be expected to experience higher tracking error relative to the Index. This may result in the Fund under-performing the Index to a material extent during such period."

Product Supplement for the BetaShares Commodities Basket ETF – Currency Hedged (Synthetic)

After the seventh paragraph in the section "About the S&P GSCI Index Series", the following new paragraph is inserted:

"During times of increased market volatility, where there is a risk of the price of a futures contract referenced by the Index reducing to zero or less than zero (negative), the Index provider may seek to mitigate the potential impact of negative commodity futures contract prices by electing to implement an unscheduled designated futures contract roll, being a scenario, based on market conditions, where the normal parameters of the roll, as defined in the Index methodology, may be adjusted. This includes, but is not limited to, when the roll occurs, the length of the roll, the proportions of the roll, or the roll-in contract. In such circumstances, the Index provider will typically roll into the next most viable contract as published in the Index methodology, but retains the right to roll into a further-dated contract based on market conditions at the time of its decision. In the case of an unscheduled roll event, if there are no viable designated contracts to roll into, the relevant commodity may also be removed from the Index. The Index provider will endeavour, as market conditions warrant, to implement the roll over two business days (i.e. a two-day roll period), as well as provide two business days' notice in advance of the unscheduled roll implementation."

Product Supplement for the BetaShares Agriculture ETF – Currency Hedged (Synthetic)

After the fifth paragraph in the section "Further information about the Index", the following new paragraph is inserted:

"During times of increased market volatility, where there is a risk of the price of a futures contract referenced by the Index reducing to zero or less than zero (negative), the Index provider may seek to mitigate the potential impact of negative commodity futures contract prices by electing to implement an unscheduled designated futures contract roll, being a scenario, based on market conditions, where the normal parameters of the roll, as defined in the Index methodology, may be adjusted. This includes, but is not limited to, when the roll occurs, the length of the roll, the proportions of the roll, or the roll-in contract. In such circumstances, the Index provider will typically roll into the next most viable contract as published in the Index methodology, but retains the right to roll into a further-dated contract based on market conditions at the time of its decision. In the case of an unscheduled roll event, if there are no viable designated contracts to roll into, the relevant commodity may also be removed from the Index. The Index provider will endeavour, as market conditions warrant, to implement the roll over two business days (i.e. a two-day roll period), as well as provide two business days' notice in advance of the unscheduled roll implementation."